

MEMORANDUM

TO:

Noel Heal

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David Rochon, Will Gardenswartz, Dave Banker

FROM:

Mike Scroggie AUS

SUBJECT:

Web Site Internetworking Patent Application

DATE:

Attached is an overview of a new invention for which we need to submit a patent application. Although initially we plan to address the supermarket/packaged goods arena, the concept is much broader and claims should be developed to cover:

The Supermarket/Consumer packaged goods industry

Any industry where information can be aggregated and disbursed via a computer Retail industries for hard and soft goods network based on a consumer's (or third party's) selection

We are on a timeline to begin pitching this concept to retailers about we would like the patent application to be filed by that time. In the meantime, we will share the concept with third parties only under a NDA. Please advise me as to the disclosure rules we must follow to ensure the eventual patent's validity.

Please get back to me as to what additional information you need to draft the application and what filing date is realistic.

CONFIDENTIAL

EXHIBIT A SERIAL NO. 09/505,632

SuperMarkets Online^{3M}
Web Site Internetworking

Web Site Internetworking Description

This document describes an invention of SuperMarkets Online (SMO) whereby Web Sites on the Internet are linked together to create a comprehensive and complimentary interchange to allow consumers to locate offers and information in their areas of interest in their local area. In its initial implementation, SMO will link the Web sites of consumer packaged goods manufacturers and supermarket retailers and deliver, via a central server, product offers and supermarket specials to consumers regardless whether the consumer visits the manufacturer site, the retailer site or SMO's cooperative site. This concept of a "Offer Locator" is illustrated on the attached charts and described further below.

This invention provides a solution to two outstanding issues in the packaged goods industry: how manufacturers communicate to consumers where their products are on special or "deal" in the consumer's local area and how to quickly report back to the manufacturer the results of the retail promotion of their products; and how retailers cost effectively communicate to consumers what manufacturer offers are available in their stores. The retailer specials take the form of special features (i.e., end-isle displays and the like), price manufacturer offers include coupons, rebates, samples, product information, sweepstakes, contests, recipes, questionnaires and surveys, audio messages and advertising. Thus, this targeting capability applies not only to the national offers, but also to the weekly offers supplied by the retailers, therefore SMO must possess data about which brands/products are on special at a given retailer (down to the store level).

This information regarding which stores have which brands/products on special means that once SMO has developed a database of manufacturer offers available at what retail locations that, given a brand or product, the consumer could search for retail locations where the specified brand or product is on special. Conversely, SMO stores in its database manufacturer offers available and allows the consumer to query (or target specific offers via the personal page) what manufacturer offers are available from the retailer site. This is the essence of the Offer Locator concept and internetworking Web sites — it provides a mechanism to efficiently inform and educate the consumer on a timely basis as to what offers (retail specials and manufacturer offers) are available regardless what site the user accesses.

There are many applications of the Offer Locator concept. For example, a "banner ad" placed by a national manufacturer could, upon being selected ("clicked" in Internet parlance), trigger an intermediate step where the consumer would then be asked to enter his or her zip code. A search would then be initiated by the SMO Server of the offer database the would match the content of the manufacturers ad (which could be a brand level ad or a product level ad) with retailer locations featuring the brand/product that are closest to the consumer's zip code.

One of the main applications of the Offer Locator is within the domain of a manufacturer's web site. In this instance, various hot links about the manufacturer's brands/products will

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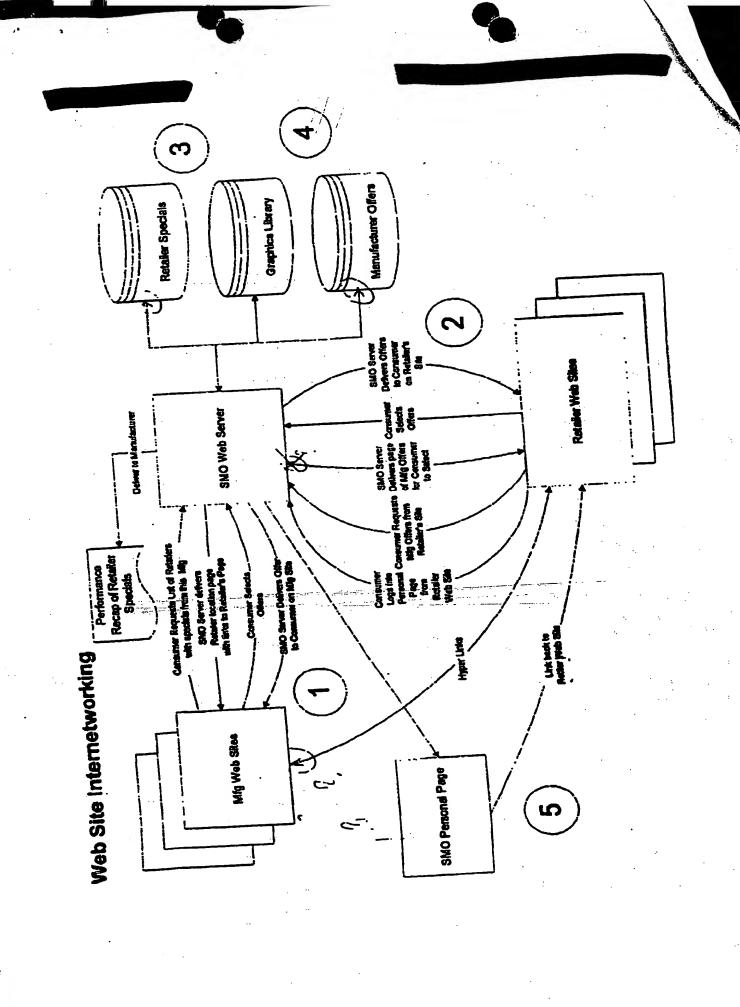


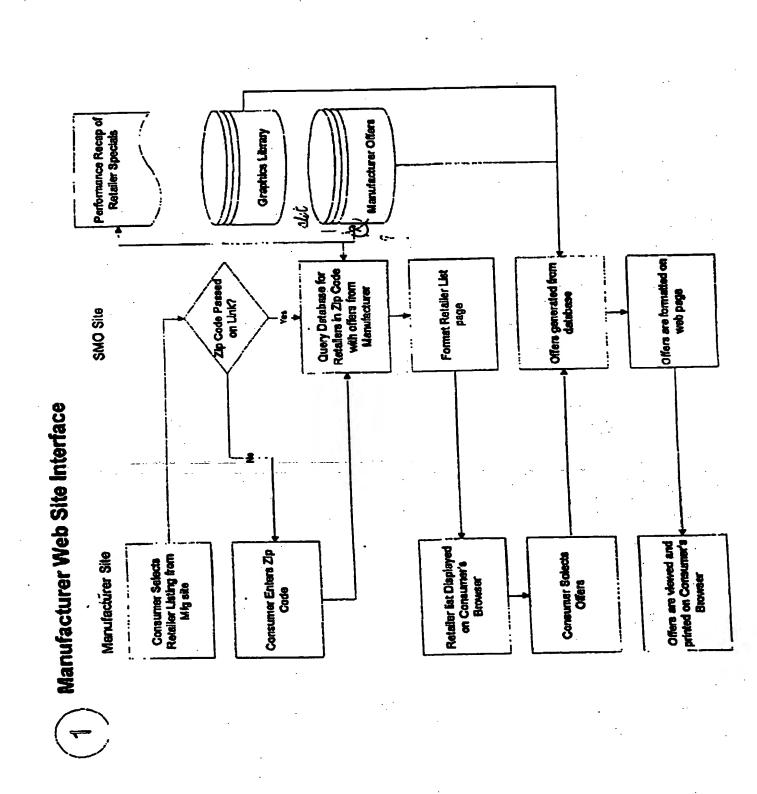
use the Offer Locator to relate clicks on the "within site" banners to retailer locations featuring the brands/products within proximity of the consumer.

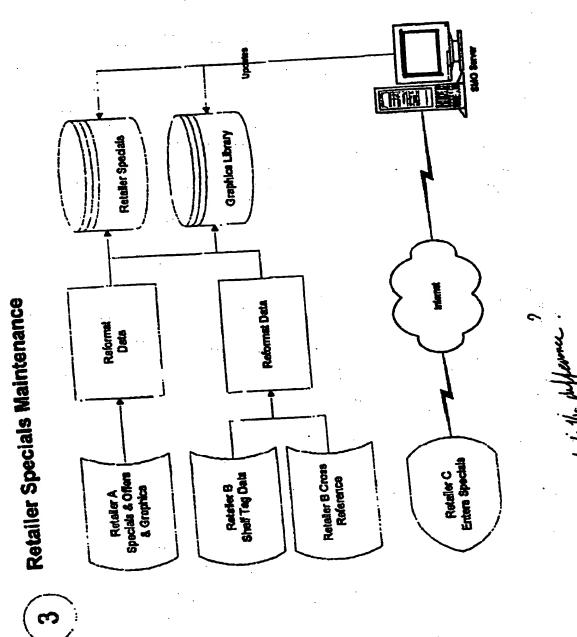
These are just representative examples of the application of the present invention. Searches do not have to be by zip code (e.g., they could be by street address, or by a credit card number, or online membership account, or by a "cookie"), and the intermediate give-us-your-search criteria step could ask a variety of other questions like "Who is your favorite retailer?" or "Of the following brands offered by manufacturer X which do you care about most?" Likewise, the point-of-entry into the Offer Locator service does not have to be a "banner ad." It could, for example, be triggered by clicking on a manufacturer's listing in an electronic Yellow Pages. In all cases the essence of the Offer Locator is the same. It relates an ad or promotion to a location where the advertised or promoted product is, first and foremost available, and then quite likely on special/featured. By linking the manufacturer and retailer sites together, all parties benefit; the manufacturer is able to inform the consumer where their products are featured, the retailer is able to efficiently promote their stores by highlighting what manufacturer offers are available and the consumer benefits by being better informed as to where to shop to save money.

The initial implementation of the present invention is illustrated in the following charts. The "Web Site Internetworking" chart graphically shows the relationship between the various components and the links established by the SMO Network. The SMO Server is paramount to this design. It provides a central reservoir of manufacturer and retailer offers and the relationships and properties of the network links. Whenever the consumer desires to locate an offer, he/she visits the applicable site in the network (either manufacturer, retailer or SMO's cooperative site) and initiates the Offer Locator application. The parameters of the search are entered by the consumer and the corresponding results are delivered by the SMO Server to the applicable site (via hyperlinks) and displayed to the consumer by his/her browser software. In the case of the consumer querying the retailer's site or SMO's cooperative site, the results may be delivered in the form of SMO's Personal Page. In order to timely inform the manufacturer of the results of the retail promotion, SMO extracts item movement data from the store's point-of-sale system and summarizes the results of the promotion back to the manufacturer in the form of Internet delivered performance reports.

Subordinate Charts 1 through 5 illustrate the detailed process flow within the various components of the network. Chart 1 shows the processing steps which are initiated (on both the manufacturer's site and SMO's site) when the consumer visits the manufacturer site and selects the Offer Locator application. Chart 2 shows the corresponding process flow from the retail site interface perspective. Chart 3 shows the process of capturing or entering retail special information into the SMO database, while Chart 4 illustrates the manufacturer offer capture process. Chart 5 shows the processing steps initiated by the SMO Server to navigate the consumer through the Personal Page which delivers targeted offers and specials to the consumer's preferences and buying habits.







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Manufacturer Offers Maintenance

